

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

HB 383 - SB 1254

February 28, 2017

SUMMARY OF BILL: Reduces the expungement fee from \$350 to \$205 and changes the allocation formula. Authorizes a person to seek expungement after one year, rather than five years.

ESTIMATED FISCAL IMPACT:

On February 25, 2017, a fiscal note was issued for the bill with the following estimated impact:

Decrease State Revenue – \$131,400

Based on additional information received by Fiscal Review Committee staff, this estimate was determined to be in error. The corrected fiscal impact for the bill is estimated as follows:

(CORRECTED)

**Decrease State Revenue – \$131,400/General Fund
\$571,200/TBI**

Corrected Assumptions:

- Data from the Department of Revenue shows that the General Fund collected \$134,405.19 from expungement fees in FY14-15 and \$128,318.98 in FY15-16. This indicates approximately 927 expunction petitions were filed in FY14-15 and approximately 885 were filed in FY15-16. Further, data shows \$77,266.63 was collected from July 1, 2016, through January 21, 2017 (215 days), which indicates 533 were filed during this period and would project 905 total petitions will be filed in FY16-17.
- It is assumed that approximately 906 petitions $[(927 + 885 + 905) / 3]$ are filed every year.
- It is assumed that allowing expungement after one year will not significantly increase the number of petitions filed each year.
- Under Tenn. Code Ann. § 40-32-101(g)(10), the \$350 fee one pays for having records expunged is distributed as follows:
 - \$10.00 to the court clerk collecting the fee;
 - \$50.00 to the Tennessee Bureau of Investigation (TBI);

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- The remainder (\$290.00) is distributed:
 - 5 percent (\$14.50) to the Public Defenders Expunction Fund;
 - 45 percent (\$130.50) to the District Attorneys Expunction Fund; and
 - 50 percent (\$145.00) to the General Fund.
- The proposed legislation reduces the expungement fee to \$205 and changes the allocation formula by removing the \$145.00 allocation to the General Fund.
- The fees for TBI, court clerks, district attorneys, and public defenders are unaffected for expungements under subsection (g). However, the General Fund will be impacted and TBI's expungements for completed diversion programs will be impacted.
- The General Fund will receive no monies from expungement fees under the proposed legislation. The recurring decrease in state revenue to the General Fund is estimated to be \$131,370 (906 expungements x \$145.00).
- TBI receives \$350 for expungements completed from the successful completion of a diversion program under Tenn. Code Ann. §§ 40-15-102—40-15-106. The proposed legislation will reduce this fee to \$205.
- TBI reports that it processes 3,939 expunction petitions annually from completed diversion programs.
- The proposed legislation will result in a recurring decrease in state revenue to TBI of \$571,155 [3,939 x (\$350 - \$205)].

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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